

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Pacific Gas and Electric Company
for Authority to Increase Revenue Requirement
to Recover the Costs to Deploy an Advanced
Metering Infrastructure.

(U 39 M)

Application 05-06-028
(Filed June 16, 2005)

**ADMINISTRATIVE LAW JUDGE'S RULING
REGARDING NOTICE OF INTENT TO CLAIM COMPENSATION**

1. Summary

This ruling responds to CALifornians for Renewable Energy, Inc.'s (CARE) supplemental notice of intent (NOI) to claim compensation in this proceeding. After consultation with the Assigned Commissioner, I find CARE eligible to claim compensation pursuant to Pub. Util. Code § 1804.¹

2. NOI Requirements

2.1. Timely Filing

Under § 1804(a)(1), "[a] customer who intends to seek an award under this article shall, within 30 days after the prehearing conference is held, file and serve on all parties to the proceeding a notice of intent to claim compensation." The prehearing conference in this proceeding occurred on July 14, 2005. The due date for NOIs was August 15, 2005. CARE filed its NOI on August 15, 2005 and their NOIs are timely.

¹ All statutory references are to the Public Utilities Code.

2.2. Customer Status

Pursuant to Decision (D.) 98-04-059, this ruling must determine whether the intervenor is a customer, as defined in § 1802(b), and identify whether the intervenor is (1) a participant representing consumers, (2) a representative authorized by a customer, or (3) a representative of a group or organization that is authorized by its bylaws or articles of incorporation to represent the interests of residential ratepayers or small commercial bundled electricity customers.

In my September 13, 2005 ruling I indicated that had not provided a copy of its bylaws that identify that it is authorized to represent residential or small commercial customers. In its September 19, 2005 supplemental NOI, CARE provided its bylaws. In relevant part, its bylaws state:

“Section 2: **Californians for Renewable Energy** is organized exclusively for charitable, scientific and educational purposes. The specific purposes of the corporation are:

1. To supply on a nonprofit basis both nonprofessional and professional legal assistance to planning, conservation groups, small business customers, residential customers, small business and residential renewable energy self suppliers, and neighborhood groups, in regards to new energy projects in the state of California
2. To engage on a nonprofit basis in research and information dissemination with respect to legal rights in a healthy environment by giving legal advice, appearing before administrative bodies, and enforcing environmental laws through court actions.”

CARE’s bylaws provide for a fairly narrow scope of representation as compared to other organizations that have been found to meet the statutory requirements for eligibility to claim intervenor compensation. In particular, CARE’s bylaws limit it to providing assistance to residential customers (among

others) regarding “new energy projects” in California. Had this case dealt solely with rate design, for example, CARE’s bylaws would not allow it to participate in such a proceeding. However, because this case deals with a significant investment in metering and communication infrastructure that, among other things, could provide additional opportunities to manage demand, I find that it is sufficiently related to an energy project to support CARE’s claim that it is authorized by its bylaws to represent residential customers in this proceeding.² CARE meets the third definition of customer, as set forth in § 1802(b): it is an organization authorized by its articles of incorporation to represent the interests of residential consumers.

2.3 Significant Financial Hardship

Only those customers for whom participation or intervention would impose a significant financial hardship may receive intervenor compensation. Section 1804(a)(2)(B) allows the customer to include a showing of significant financial hardship in the NOI. Alternatively, the customer may make the required showing in the request for an award of compensation.

“Significant financial hardship” means either that (1) the customer cannot without undue hardship afford to pay the costs of effective participation, including advocate’s fees, expert witness fees, and other reasonable costs of participation, or (2) in the case of a group or organization, the economic interest of the individual members of the group or organization is small in comparison to the costs of effective participation in the proceeding. (Section 1802(g).)

² All of CARE’s members are residential ratepayers.

In order to determine whether CARE is eligible for compensation, we must evaluate whether the economic interest of the individual members of CARE are small in comparison to the reasonable cost of representation. Typically an organization submitting an NOI identifies the typical annual utility bill level for the customers it represents and describes how the cost of representation compares to typical bills of its members. Despite my request in the September 13, 2005 ruling for this information, CARE's September 19 supplement did not provide this information. Instead, CARE provided a copy of its May 11, 2005 bank statement to demonstrate that, as an organization, CARE has insufficient funds to pay its estimated cost of representation.

Past rulings on CARE's eligibility to claim compensation identify that "a typical residential electric bill for an individual CARE member was approximately \$245 per month." (September 15, 2005 Ruling, A.05-06-029, p. 5.) It is unclear whether this average is an annual or monthly average, but in either event, that level of bill allows us to conclude that the possible benefit through lower or higher bills to the individual members of CARE is small in comparison to CARE's estimated cost of participation on their behalf. A residential energy bill on the order of \$3,000 annually is much less than CARE's estimated cost of participation. All of CARE's current members are residential customers, none is a large commercial or industrial customer that might use great quantities of natural gas or electricity. CARE has demonstrated that it will face a significant financial hardship in this proceeding, as set forth in § 1802(g).

2.4 Nature and Extent of Planned Participation

Section 1804(a)(2)(A)(i) requires NOIs to include a statement of the nature and extent of the customer's planned participation in the proceeding to the

extent this can be predicted. Section 1804(a)(2)(A)(ii) requires that NOIs include an itemized estimate of the compensation the customer expects to receive.

CARE states that it will fully participate in the proceeding to review and assess potential impacts of the rate increase sought by PG&E. CARE identifies that its members in Pittsburg, San Francisco, Santa Clara, San Jose, and the Medicine Lake Highlands California will bear a disparate socioeconomic impact from PG&E's requested rate increase. CARE identifies that some of its members have already purchased advanced metering from PG&E for their photovoltaic supply systems and it will be arguing that such customers should be exempt from the costs of PG&E's proposed project. CARE estimates the following as potential compensation amounts:

Amount	Description
\$ 80,000	200 hours of professional time by attorneys at \$400/hour
\$ 20,000	100 hours of professional time by Regulatory/Economic Experts at \$200/hour
\$ 45,000	300 hours of professional time for Technical Assistance at \$150/hour
\$ 5,000	Other direct expenses
\$ 150,000	Total

CARE satisfactorily presents itemized estimates of the compensation it expects to request. Like any intervenor, CARE must fully support its ultimate request for compensation, including substantiating that it has made a substantial contribution, and the reasonableness of the hours spent and hourly rates.

IT IS RULED that:

1. CALifornias for Renewable Energy, Inc. (CARE) has met the eligibility requirements of Pub. Util. Code § 1804(a). CARE is a customer as that term is defined in § 1802(b) and is a group or organization that is authorized to represent the interests of residential ratepayers.

2. CARE has established that it will face a significant financial hardship in this proceeding, as set forth in § 1802(g).

3. A finding of eligibility in no way assures compensation.

Dated October 21, 2005, at San Francisco, California.

/s/ MICHELLE COOKE

Michelle Cooke
Administrative Law Judge

CERTIFICATE OF SERVICE

I certify that I have by mail this day served a true copy of the original attached Administrative Law Judge's Ruling Regarding Notice of Intent to Claim Compensation on all parties of record in this proceeding or their attorneys of record.

Dated October 21, 2005, at San Francisco, California.

/s/ ELIZABETH LEWIS
Elizabeth Lewis

N O T I C E

Parties should notify the Process Office, Public Utilities Commission, 505 Van Ness Avenue, Room 2000, San Francisco, CA 94102, of any change of address to insure that they continue to receive documents. You must indicate the proceeding number on the service list on which your name appears.

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